

Jeopardizing State Trunk Highway Maintenance



April 2005

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Executive Summary

There has been a clear disinvestment in maintenance of the State Trunk Highway System in the past decade, and the LRSC believes that it reached a critical point in the past biennial budget. These reductions have had a detrimental effect on the condition and functionality of the state trunk highway system. Left un-addressed, the declining service levels will erode the reliability of the state highway system, increase the costs to rehabilitate those roads that prematurely fail due to lack of adequate maintenance, and directly reduce public safety.

Wisconsin's Maintenance Infrastructure

- WisDOT has ownership responsibility for the state highway system, but day-to-day maintenance activities are performed under the supervision of County Highway Departments. This arrangement has allowed the State to have very few employees dedicated to state highway maintenance activities when compared with other Midwestern States.
- This partnership between State and Local government is a model for intergovernmental cooperation and efficiency that has served the citizens of Wisconsin well since the inception of the State Highway System.
- Maintenance work is paid for on an actual cost basis for time and materials and with specific agreements addressing other costs. Counties provide all the necessary resources and only those resources actually used are reimbursed.
- The system for compensating Counties for this work is based on "no profit". Counties are provided funding for "actual" costs.

State Highway Maintenance Funding

- Maintenance funding has been on the decline since the mid 1980's. Legislative Audit Bureau Report 97-4, "Management of the Highway Program", indicated a 9.3% decrease in maintenance funding from Fiscal Year 1987/88 to Fiscal Year 1996/97.
- This decline in maintenance funding has continued since the LAB report was drafted eight years ago.
- The State Trunk Highway System has expanded in the last 15 years: an approximate 5 to 7 % increase in total lane miles; 40% increase in travel; and a 68% increase in heavy truck traffic. All these factors tend to require more maintenance activities.
- The interdependency of Wisconsin's maintenance infrastructure means the state's disinvestment is also having a negative effect upon local highways, roads and streets.

Outlook and Recommendations

- The lack of adequate funding for state maintenance will make the continuation of services by counties no longer viable. There is no reason to conclude that services would be provided at a comparable or reduced cost by the private sector.
- State highway maintenance funding must be increased to restore essential traffic control services to routine maintenance service levels by funding counties at least with 1990 levels, with an adjustment for inflation and increased lane miles.
- A dialogue with the Legislature must be initiated immediately to develop a vision for maintenance and operation of the state highway system and the level of service to be provided. This dialogue should include a commitment for appropriate funding and the establishment of clear public policy goals. Update the Legislative Audit Bureau 1997 report "Management of the Highway Program", to re-evaluate the highway maintenance issue.



Jeopardizing State Trunk Highway Maintenance

Introduction

The Local Roads and Streets Council (LRSC) has studied the issue of State Trunk Highway Maintenance with respect to the role of county governments that perform the work and the indirect impacts on all levels of local government. County and local governments perform most of the routine state highway maintenance in Wisconsin. This partnership between State and Local government is a model for intergovernmental cooperation and efficiency that has served the citizens of Wisconsin well since the inception of the State Highway System.

Counties provide maintenance service for the State Trunk Highway System, County Trunk Highway System and in many cases local roads and streets. Both State and Local governments depend on County forces to respond to emergency conditions and to assist in all minor to major repair and maintenance activities. This county response is expected to take place immediately and with all forces necessary to get the job done.

There has been a clear disinvestment in maintenance of the State Trunk Highway System in the past decade, and the LRSC believes that it reached a critical point in the past biennial budget. These reductions have had a detrimental effect on the condition and functionality of the state highway system. Left un-addressed, the declining service levels will erode the reliability of the state highway system, increase the costs to rehabilitate those roads that prematurely fail due to lack of adequate maintenance, and directly reduce public safety.

While the implication for system preservation, economic development, and public safety are of deep concern, this concern extends beyond just the state highway system. The interdependency of Wisconsin's maintenance infrastructure means the state's disinvestment is also having a negative effect upon local highways, roads and streets. Well-maintained state highways are of vital interest to every community in the state, as they provide the interstate and regional travel that sustains the economy and culture of each community. Without a well-maintained network of state highways to provide reliable transportation, all investments in local roads are negatively affected. In addition, state and local governments share resources. These resources, whether they are equipment, labor or materials, can be directed to that part of the overall road system

that is in need at any given time. The State's disinvestment continues to reduce the resources available; reducing efficiency; compromising emergency response; and damaging the maintenance infrastructure that has served our citizens so well.

The LRSC believes action must be taken in this biennial budget to reverse the trend in State Trunk Maintenance funding. We also believe it is incumbent on the State's elected officials to fully fund an appropriate level of service on the State Trunk Highway System that reflects the needs of Wisconsin's citizenry and protects the safety of those citizens. System preservation through preventive maintenance must be restored to a preeminent position in budget priorities. Continuing the expansion of the system without a commitment to maintain it is clearly a contradiction from a public policy standpoint.

Wisconsin's Maintenance Infrastructure

Wisconsin's highway system consists of approximately 12,000 miles of state highways and 100,000 miles of local highways, roads and streets. While state highways are approximately 11% of the total system, they are the state's arterial system and carry as much traffic as the local system. Wisconsin is the only state without an in-house workforce dedicated to providing routine maintenance field services on the state highway system. Counties perform most routine maintenance on the state highway system. In addition to State Highway maintenance, Counties perform maintenance on 19,000 miles of County Trunk Highways under their jurisdiction. Counties also provide a wide range of services for Towns, Villages and Cities, from road maintenance to administrative support.

Wisconsin's County and Local Governments have made the investments necessary to provide a maintenance infrastructure to support all of Wisconsin's highway, road and street network. This infrastructure includes facilities, equipment, labor and material resources. Counties performing state highway maintenance are paid the actual costs for the work they perform and recoup their capital investments through equipment charges and payments for use of facilities. **There is no significant direct state capital outlay towards the county's maintenance infrastructure.**

WisDOT has ownership responsibility for the state highway system, but day-to-day maintenance activities are performed under the supervision of County Highway Departments. **This arrangement has allowed the State to have very few employees dedicated to state highway maintenance activities when compared with other Midwestern states** as illustrated below:

State Highway Maintenance Staffing Comparison 1996

<u>State</u>	<u>Primary Provider of Highway Maintenance</u>	<u>State Maintenance Employees (FTE)</u>
Illinois	State	2,500, plus 600 temporary for winter
Indiana	State	2,000
Iowa	State	1,500
Michigan	State/Municipality	900
Minnesota	State	2,200
Ohio	State	3,200
Wisconsin	County	120

(Source: Legislative Audit Bureau Report 97- 4, “Management of the Highway Program”)

State Highway Maintenance Funding

- Level of Service

A Level of Service model was created in 1992 as a means of tying services to the cost of providing those services. This process allowed WisDOT to establish overall budget needs to continue a given service level and to establish an equitable way of allocating the total budget among the 72 counties in order to fund equivalent services on similar state highways around the state. However, funding has not been provided to allow the Department to fund maintenance services provided by counties at the levels established in the model. The loss of real purchasing power has continued over the life of this model, and began many years prior to its existence. The level of services established by state maintenance policy has never been reached.

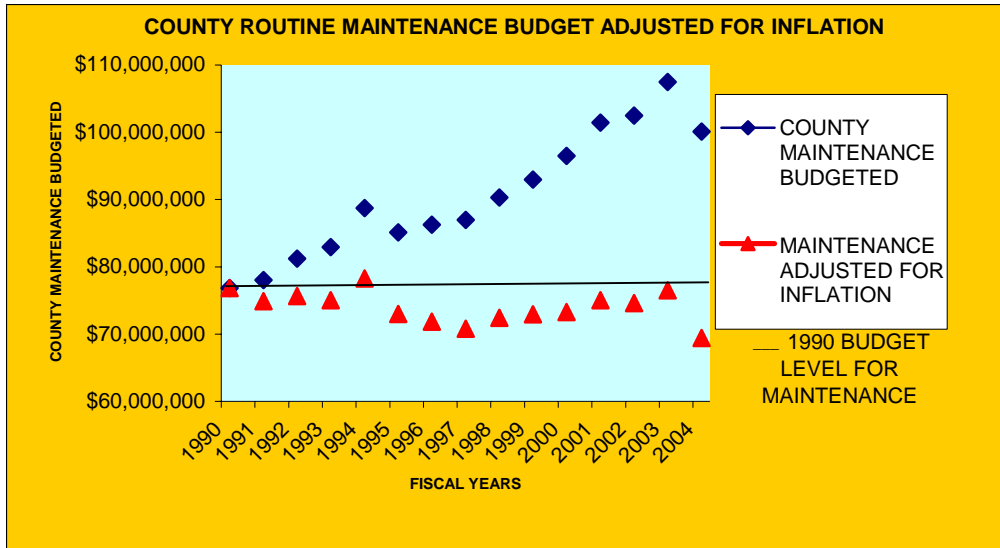
- County Costs

Counties are paid on a monthly basis for the work they perform on state highway maintenance. The work is paid for on an actual cost basis for time and materials and with specific agreements addressing other costs. Counties provide all the necessary resources and only those resources actually used are reimbursed.

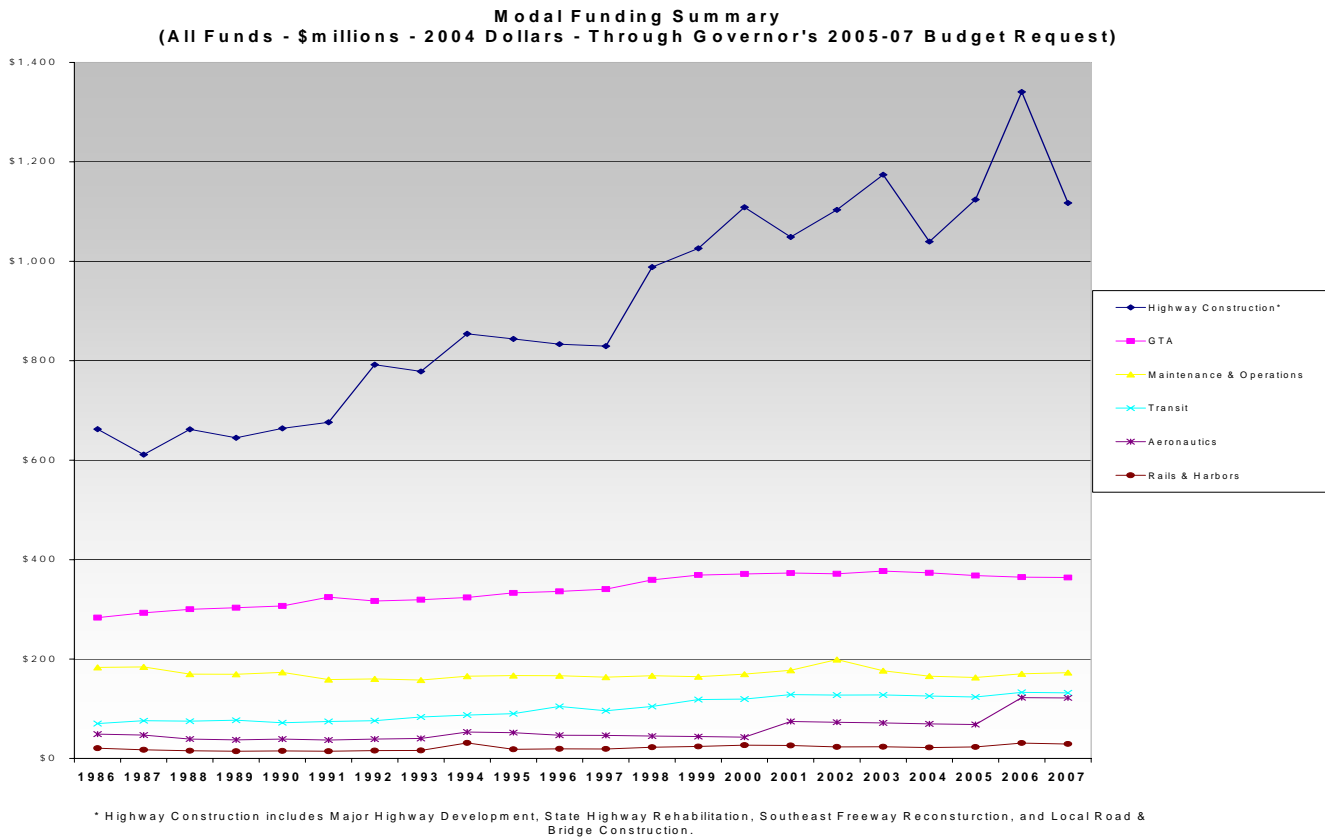
The system for compensating Counties for this work is based on “no profit”. Counties are provided funding for “actual” costs.

Maintenance Budget Trends

For FY 2005, \$165,546,000 was provided for state highway maintenance in the enacted budget. Of that total, services purchased from counties were planned to be \$101,300,000 or roughly 60%. Maintenance funding has been on the decline since the mid 1980's. Legislative Audit Bureau Report 97-4, “Management of the Highway Program”, indicated a 9.3% decrease in maintenance funding from Fiscal Year 1987/88 to Fiscal Year 1996/97. This trend has continued as depicted by the graph below:



While maintenance has been on the decline, expenditures for new construction and reconstruction have been on the rise as indicated in the graph below:



- Other Factors

While the state highway maintenance budget has been on the decline, other factors are contributing to a constraint of service levels beyond just inflationary trends. The State Trunk Highway System has undergone significant changes in the last 15 years including an approximate 5 to 7 % increase in total lane miles; 40% increase in travel; and a 68% increase in heavy truck traffic. As the intensity of use has expanded, and the use increasingly requires 24-hour service, costs to perform the necessary maintenance activities and provide the higher levels of traffic control have risen even faster. **All these factors tend to require more service.** In addition, there have been a number of recent cost increases in factors that uniquely impact highway maintenance and construction. **All of these factors limit how far declining budget dollars can go.**

- Outcomes

The present trend will lead to a breakdown of the state highway maintenance function, leading to a lowering of service levels impacting the public. Lowering service levels can result in increased safety problems and liability exposure for counties, the state, and other service providers. The state highway system, which is the system of roadways of greatest statewide importance, is maintained at level significantly less than local connecting highways that are maintained by local governments. Some counties indicate they provide higher levels of service on their own county highways than they are allowed to provide on the state highways due to the limited state funds available to pay those costs.

To accommodate budget reductions, the state has told counties to eliminate noxious weed control efforts, discontinue maintenance of most pavement markings other than lane lines, discontinue sign maintenance except for certain regulatory signs and some other select guide signs, and decrease efforts to retune traffic signals, respond to emerging needs for improvements to traffic control systems, maintain certain roadside facilities, provide roadway lighting, and explore new ways of preserving and protecting the pavements or enhancing the effectiveness of winter maintenance methods.

A report issued by WisDOT's COMPASS Program, "Wisconsin State Highway 2004 Maintenance, Traffic, Operation Conditions", cited the following conditions on the State Trunk Highway System:

- Safety Related Features

- | | |
|--------------------------------|---------|
| ○ Unpaved Shoulder Drop-off | Grade F |
| ○ Hazardous Debris on Shoulder | Grade D |
| ○ Rutting of Asphalt Pavement | Grade D |
| ○ Mowing for Vision | Grade D |

- Traffic Related Features

- | | |
|---------|---------|
| ○ Signs | Grade D |
|---------|---------|

- Roadside Features

- | | |
|---|---------|
| ○ Noxious weed control – spraying program has been eliminated | |
| ○ Litter | Grade D |

While these are new ratings intended to measure service outcomes, there is not trend data yet available. The results, though, do indicate reason for concern about the condition of these features and raise questions about how those conditions affect the function of the state highway system. The report also indicates substantial backlogged work to meet service targets.

At some point, the lack of adequate funding for state maintenance will make the continuation of services by counties no longer viable. The collapse of that mechanism for delivering cost effective, responsive service would require turning to some sort of outsourcing. While there are examples of outsourcing to accomplish this type of service, there is no reason to conclude that services would be provided at a comparable or reduced cost. All previous investigations of this potential, including reports from the Legislative Audit Bureau, suggest that it would cost more to provide services in the event the county service model is no longer viable.

What Is Needed

The Local Roads and Streets Council believes that the current trend in highway maintenance funding is creating a serious disruption in Wisconsin's maintenance infrastructure. This disruption will be felt throughout our road system and is not simply an issue of state highways. Wisconsin's road system is dependent on the interconnectivity of the system and the maintenance infrastructure that supports it. This means that all levels of government will be affected by the continued disinvestment in highway maintenance funding.

At this time, the Council recommends the following:

- Increase state highway maintenance funding to restore essential traffic control services to routine maintenance service levels by funding counties at least with 1990 levels, with an adjustment for inflation and increased lane miles.
- Immediately begin a dialogue with the Legislature on a vision for maintenance and operation of the state highway system and the level of service to be provided. This dialogue should include a commitment for appropriate funding and the establishment of clear public policy goals. Update the Legislative Audit Bureau 1997 report "Management of the Highway Program", to re-evaluate the highway maintenance issue.